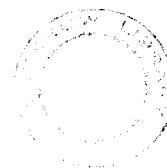


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THE CROW'S NEST PASS COAL COMPANY, LIMITED

Fernie, British Columbia.

ANNUAL REPORT

For

YEAR ENDED DECEMBER 31, 1941.

BOARD OF DIRECTORS

H. P. Wilson
L. C. Gilman
Erasmus C. Lindley

Thomas Balmer
F. D. Pratt
Welles V. Moot

T. J. Thomas

EXECUTIVE COMMITTEE

Thomas Balmer, Chairman

H. P. Wilson
T. J. Thomas

L. C. Gilman
F. D. Pratt

OFFICERS

H. P. Wilson	President & General Manager
Thomas Balmer	First Vice President
L. C. Gilman	Second Vice President
Geo. H. Hess, Jr.	Comptroller
D. M. Mitchell	Secretary
J. H. Marshall	Treasurer
Welch, Anderson & Company	Auditors

TRANSFER AGENTS

The Toronto General Trusts Corporation, Toronto, Ont.
Bankers Trust Company, New York, N.Y.

REGISTRARS

National Trust Company, Limited, Toronto, Ont.
Central Hanover Bank & Trust Co., New York, N.Y.

Fernie, British Columbia.
March 31, 1942,

TO THE SHAREHOLDERS OF
THE CROW'S NEST PASS COAL COMPANY, LIMITED :

We submit herewith the Forty-fifth Annual Report of your Company for the year ended December 31, 1941, together with a Balance Sheet, duly certified by your Auditors, Welch, Anderson & Company, as well as a statement of Income and Surplus Account.

The profit from all sources after depreciation and depletion and provision for Income and Excess Profits Taxes (including adjustment of \$31,852.83 on 1940 taxes) amounted to \$287,233.74.

The net Capital Expenditures made by the Coal Company and its subsidiaries during the year amounted to \$47,213.58.

Distributions to shareholders during the year amounted to the sum of \$186,354.00, which is equivalent to \$3.00 per share. This amount was paid from earned profits.

Coal mined amounted to 1,072,274 tons as compared with 813,610 tons in 1940.

Coke production was 94,028 tons as compared with 66,961 tons in 1940..

By Order of the Board of Directors,

H. P. WILSON,

President.

AUDITOR'S REPORT AND CERTIFICATE

March 16th, 1942.

To the Shareholders,

**THE CROW'S NEST PASS COAL COMPANY, LIMITED,
Ferne, B.C.**

We report that we have audited the books and accounts of your Company for the year ended December 31st, 1941, and certify that we have obtained all the information and explanations required.

We confirmed the securities of the Company held for safe keeping by the Imperial Bank of Canada, Vancouver Branch, by certificate from the depository.

The cash and bank balances were verified, either by actual count or by certificates from the depositories.

The accounts receivable have not been verified by direct communication with the debtors.

Deficits in subsidiaries are being written off on an annual basis, which we consider adequate.

Full provision has been made for Federal Income and Excess Profits Taxes, including additional Excess Profits Tax for the year 1940.

Subject to the foregoing, we certify that the accompanying Balance Sheet is, in our opinion, properly drawn so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information, the explanations given us and as shown by the books of the Company.

WELCH, ANDERSON & COMPANY,
Chartered Accountants.

BALANCE SHEET — DECEMBER 31st, 1941.

Signed on behalf of the Board : Thomas Balmer, Director.
H. P. Wilson, Director.

THE CROW'S NEST PASS COAL COMPANY, LIMITED

STATEMENT OF INCOME

For the year ended December 31st, 1941.

Profit on coal and coke operations	\$ 913,342.30
Less : Executive officers' salaries	\$ 32,410.61
Counsel and legal fees	2,400.00
Directors' fees	2,500.00
Provision for depreciation	135,962.14
Provision for depletion	107,227.40
	<hr/> 280,500.15
	<hr/> 632,842.15
OTHER INCOME :	
Interest on securities — after amortization of invest- ments \$366.94	34,676.85
Interest on bank balances, exchange, etc.—net	3,476.64
Recovered on investments previously written off	65.50
Profit on sale of securities	1,458.20
Sundry income—net	22,933.68
	<hr/> 62,610.87
OTHER CHARGES :	695,453.02
Investment in stocks (with no established market value) written down—subsidiary company	34,621.39
	<hr/> 660,831.63
Provision for income and excess profits taxes — Dominion of Canada, Year 1940—adjustment	31,852.83
Year 1941	341,745.06
	<hr/> 373,597.89
NET PROFIT FOR YEAR	<hr/> <hr/> \$ 287,233.74

STATEMENT OF DEFICIT

December 31st, 1941.

Distributions to shareholders to December 31st, 1939, from funds derived through creation of reserve for depletion per resolution of Directors	(x) \$1,340,632.20
Deduct : Undistributed profits to December 31st, 1940	284,941.05
Profit for year ended December 31st, 1941	287,233.74
	<hr/> 572,174.79
Less : Dividends paid in 1941	186,354.00
	<hr/> 385,820.79
Deficit—December 31st, 1941—as shown on Balance Sheet ...	<hr/> <hr/> \$ 954,811.41

(x) This amount represents distributions paid to Shareholders under
Section 83, s. s. 4 and 5 of the Dominion Companies Act.

